



STATE OF WASHINGTON
DEPARTMENT OF LABOR AND INDUSTRIES
PO Box 44140 • Olympia Washington 98504-4140

September 30, 2008

Dear Contractor:

We are sending you some drywall educational information. It is important you understand the prime contractor liability rules of the workers' compensation law regarding hiring in state or out-of-state subcontractors to perform work in Washington (**RCW 51.12.070**). We intend to help you make informed decisions when hiring in state or out-of-state subcontractors and to protect you against prime contractor liability assessments.

If you are hiring **in state** or **out-of-state** subcontractors to do work in Washington, make sure:

- They have an active contractor's license in the State of Washington as required under **RCW 18.27 or 19.28**.
- Contractors who have employees need to have workers' compensation coverage according to the following:
 - In reciprocal states – they must have workers' compensation coverage through their home state or Washington State Fund
 - In non-reciprocal states – they must have workers' compensation with the Washington State Fund

If your subcontractor is not in good standing, you could be held responsible for any unpaid premiums they owe.

At least once per year you must verify whether your in state or out-of-state contractors have an L&I workers compensation account in good standing. To do this register with L&I's online tracking system to verify your subcontractor is in good standing. Fill out the online '**Contractor Tracking Request**' form and you will be notified if your sub-contractor gets behind in paying premiums or if they become unregistered or unlicensed during the next year.

You can request tracking and verify your subcontractor's account by accessing our web site at PremiumStatus.Lni.wa.gov. Make sure you print a copy of the liability certificate for your records. Additional information on drywall reporting (including qualifying for discount drywall rates) and prime contractor liability can be found at Lni.wa.gov/ClaimsIns/Insurance/File/SpecialIndustries/Drywall. We hope this information is helpful to you in understanding the prime contractor liability provisions of the industrial insurance law. If you have questions, please call me.

Sincerely,

Ronald C. Moore
Employer Services Program Manager
(360) 902-4748